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**BONDI & Co. LLC**

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**The Honorable Mayor and  
Members of the City Council  
Colorado Springs Municipal Airport  
Colorado Springs, Colorado**

**Independent Auditors' Report**

We have audited the accompanying financial statements of the business-type activities of the Colorado Springs Municipal Airport (Airport), an enterprise fund of the City of Colorado Springs, Colorado, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the City of Colorado Springs, Colorado's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Airport are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the business-type activities that are attributable to the transactions of the Airport. They do not purport to, and do not, present fairly the financial position of the City of Colorado Springs, Colorado, as of December 31, 2006, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of December 31, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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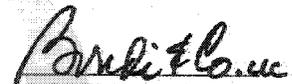
**The Honorable Mayor and  
Members of the City Council  
Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
Page 2**

**In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2007, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.**

**The management's discussion and analysis on pages 3 to 15, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.**

**Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Airport taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.**

**June 1, 2007**

  
**BONDI & Co. LLC**

## Management's Discussion and Analysis (MD&A) (unaudited)

The following management's discussion and analysis of the Colorado Springs Airport's (the Airport) financial performance provides an overview of the financial activities of the Airport for the fiscal years ended December 31, 2006 and 2005. The information contained in this discussion should be considered in conjunction with the financial results, footnotes, and supplemental information in the Airport's financial statements.

The Airport's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other standards-setting bodies. The Airport is structured as an enterprise fund of the City of Colorado Springs, with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except for land and construction in progress) are depreciated over their useful lives. See notes to the financial statements for a summary of the Airport's significant accounting policies.

Following this MD&A are the financial statements of the Airport together with the notes to the financial statements, which are essential for a full understanding of the data contained in the financial statements. The Airport's financial statements are designed to provide readers with a broad overview of the Airport's finances.

### Airport Activities Highlights

The activities of the Airport for the last three calendar years were as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Enplaned Passengers	1,017,016	1,030,833	1,034,747
% increase (decrease)	-1.34%	-0.38%	2.28%
Aircraft Operations	140,958	165,911	174,909
% increase (decrease)	-15.04%	-5.14%	-12.78%
Landed Weight (in thousands)	1,417,293	1,525,778	1,563,735
% increase (decrease)	-7.11%	-2.43%	-0.83%
Freight and Mail (tons)	16,302	16,725	18,236
% increase (decrease)	-2.53%	-8.29%	1.93%

2006 enplanements were approximately 1.3% below 2005 due to a reduction in flight schedules. A significant factor was the consolidation of several routes as airlines reduced frequencies in order to achieve cost savings and operational efficiencies. In addition, Mesa Airlines withdrew their mainline service from Colorado Springs in October of 2006. Another factor was the summer closure of the Airport's 13,500 foot east runway for rehabilitation and reconstruction. Summer heat, coupled with the high altitude, necessitated a change in aircraft in order for airlines to operate on the shorter 11,000 foot west runway. These fleet changes caused a reduction in available seats on departing flights. Aircraft operations were significantly lower in 2006 primarily because of a 15% reduction in general aviation operations and a 23% reduction in military operations. General aviation activity was impacted by higher fuel rates in 2006. Military operations were down because of the continued

deployment of the local reserve squadrons at Peterson Air Force Base. Landed weight was lower in 2006 compared to 2005 as a result of a decrease in the number of scheduled flights. Freight and mail decreased from 2006 to 2005 due to a slight reduction in the number of cargo flights flown by FedEx and Airborne Express.

Comparing 2005 activity to 2004, enplaned passengers decreased in 2005 due to a reduction in flight schedules. A significant factor was the elimination of Delta's flights to Dallas, Texas. There was a significant decrease in aircraft operations primarily due to a decrease in the number of military flights, a consequence of the deployment of the local reserve squadrons located at Peterson Air Force Base. Landed weight was down only slightly in 2005 compared to 2004 as a result of a decrease in the number of scheduled flights. Freight and mail decreased from 2004 to 2005, due primarily to the continued drop in originating (outbound) mail.

During 2006, seven major air carriers and six regional carriers supported the Airport with non-stop service to fourteen major cities. In addition, three air cargo operators used the Airport's facilities.

## Financial Highlights

### Summary of Revenues, Expenses and Changes in Fund Net Assets

	2006	2005	\$ Increase (Decrease)	2004	\$ Increase (Decrease)
Operating revenues	\$ 21,542,019	\$ 20,719,348	\$ 822,671	\$ 20,669,259	\$ 50,089
Operating expenses	<u>13,804,532</u>	<u>13,216,784</u>	<u>587,748</u>	<u>13,039,814</u>	<u>176,970</u>
Excess before depreciation and other income, net	7,737,487	7,502,564	234,923	7,629,445	(126,881)
Depreciation and amortization	<u>8,552,544</u>	<u>8,157,208</u>	<u>395,336</u>	<u>7,955,285</u>	<u>201,923</u>
Operating income (loss)	(815,057)	(654,644)	(160,413)	(325,840)	(328,804)
Net nonoperating income	(17,267,116)	1,828,034	(19,095,150)	3,624,305	(1,796,271)
Capital grants and contr.	<u>35,381,253</u>	<u>5,648,091</u>	<u>29,733,162</u>	<u>3,602,446</u>	<u>2,045,645</u>
Change in net assets	17,299,080	6,821,481	10,477,599	6,900,911	( 79,430)
Net assets at beginning of year	<u>178,862,070</u>	<u>172,040,589</u>	<u>6,821,481</u>	<u>165,139,678</u>	<u>6,900,911</u>
Net assets at end of year	<u>\$ 196,161,150</u>	<u>\$ 178,862,070</u>	<u>\$ 17,299,080</u>	<u>\$ 172,040,589</u>	<u>\$ 6,821,481</u>

Significant items affecting the Summary of Revenues, Expenses and Changes in Fund Net Assets for 2006 are as follows:

- ➔ Although the Airport experienced a slight decrease in passenger traffic in 2006, operating revenues increased \$822,671 from 2005 due primarily to an increase in terminal concessions and public parking revenues. The food/beverage and news/gifts concession revenue increased by approximately 13% as passengers continued to take advantage of the new concession outlets at the Airport. The completion of the public parking lot reconfiguration allowed for an increase in short term parking utilization as compared to 2005. In addition, the Airport raised its long term and valet parking fees in February of 2006.
- ➔ Operating expenses increased by \$587,748 as compared to 2005, primarily due to an increase in personnel costs and equipment purchases. The increase was partially offset by a reduction in other operating expenses related to professional services and repairs and maintenance.

- ➔ The net result of the above was operating income before depreciation increased by \$234,923 for 2006. Depreciation and amortization in 2006 increased from \$8,157,208 to \$8,552,544 due to additions in Airport capital assets.
- ➔ Non-operating revenues decreased from a non-operating gain of \$1,828,034 in 2005 to a non-operating loss of \$17,267,116 in 2006. The change from 2005 to 2006 relates to a loss on disposal of capital assets in 2006, attributable to the removal of the east runway from the Airport's capital assets. The runway was completely demolished in 2006. Rehabilitation work on the new surface was not complete as of December 31, 2006.
- ➔ Capital grant and contribution revenues registered \$35,381,253 and \$5,648,091 in 2006 and 2005, respectively. The increase is primarily due to capital reimbursements received from the FAA on the Airport's ongoing reconstruction of the east runway. The FAA awarded in excess of \$38 million in AIP and PFC funding to the Airport for this project. In addition, the Airport received \$2,554,454 in capital contributions related to infrastructure improvements and cost recovery on several land parcels.
- ➔ For 2006, net assets increased \$17,299,080 as the result of the above activity, resulting in total net assets at the end of 2006 totaling \$196,161,150.

Significant items affecting the Summary of Revenues, Expenses and Changes in Fund Net Assets for 2005 are as follows:

- ➔ Despite a slight decrease in Airport passenger traffic, the Airport's 2005 operating revenue increased \$50,089 over 2004 due primarily to an increase in terminal building concessions related to the opening of new food, beverage, and retail concessions in July of 2005. There was also a significant increase in fuel excise tax receipts due to an increase in fuel sales. The higher revenue was partially offset by decreases in parking revenue and landside commercial concessions.
- ➔ Operating expenses increased \$176,970 over 2004 primarily due to increased personnel costs. The increase was partially offset by a reduction in other operating expenses related to utilities and advertising expenses.
- ➔ The net result of the above was operating income before depreciation decreased by \$126,881 for 2005. Depreciation and amortization in 2005 increased from \$7,955,285 to \$8,157,208 due primarily to additions in Airport assets.
- ➔ Non-operating revenues decreased from a non-operating gain of \$3,624,305 in 2004 to a non-operating gain of \$1,828,034 in 2005. The change between 2005 and 2004 relates to a decrease in Customer Facility Charges in 2005, attributable to the Airport's one-time receipt of Customer Facility Charges (CFCs) associated with the closeout of the 1994 Taxable Airport Rental Car Special Facilities Bonds. A customer facility charge of \$1.50 per rental car contract date was established to pay the debt service on this bond issue. When the bonds were retired on September 1, 2004, there was an excess held by the bond trustee of \$3,576,541. Per the bond documents, these funds were returned to the Airport.
- ➔ Capital grant revenues registered \$5,648,091 and \$3,602,446 in 2005 and 2004, respectively. The increase relates to the substantial completion of the \$4.9 million rehabilitation of taxiway C during 2005. With this large project receiving \$3.3 million of funding in 2005, the Airport

registered higher capital expenditures in 2005, and thus a greater amount of funds being reimbursed from FAA funding.

➔ For 2005, net assets increased \$6,821,481 as the result of the above activity, resulting in total net assets at the end of 2005 totaling \$178,862,070.

### Financial Position Summary

	<u>2006</u>	<u>2005</u>	<u>% Change</u>	<u>2004</u>	<u>% Change</u>
Current assets (including restricted cash)	\$ 40,572,779	\$ 41,307,599	-1.78%	\$ 43,958,549	-6.03%
Restricted Investments	5,834,683	5,834,683	0.00%	5,834,682	0.00%
Bond issue cost (net)	601,441	670,264	-10.27%	746,335	-10.19%
Note Receivable	1,288,586	-	-	-	-
Property and equipment (net)	218,114,849	196,314,865	11.10%	190,358,031	3.13%
<b>Total Assets</b>	<b>\$ 266,412,338</b>	<b>\$ 244,127,411</b>	<b>9.13%</b>	<b>\$ 240,897,597</b>	<b>1.34%</b>
Current Liabilities	\$ 15,850,853	\$ 8,723,174	81.71%	\$ 9,617,935	-9.30%
Long-term debt (less current portion)	54,015,356	56,189,010	-3.87%	58,910,558	-6.14%
Other non-current liabilities	384,979	353,157	9.01%	328,515	7.50%
Net Assets:					
Invested in capital assets (net of debt)	166,123,866	136,969,435	21.29%	128,352,663	6.71%
Restricted	13,824,516	19,278,062	-28.29%	18,010,591	7.04%
Unrestricted	16,212,768	22,614,573	-28.31%	25,677,335	-11.93%
Net Assets	196,161,150	178,862,070	9.67%	172,040,589	3.97%
<b>Total Liabilities and net assets</b>	<b>\$ 266,412,338</b>	<b>\$ 244,127,411</b>	<b>9.13%</b>	<b>\$ 240,897,597</b>	<b>1.34%</b>

The largest portion of the Airport's net assets each year represents its investment in capital assets less the related indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors; consequently these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since it is unlikely that the capital assets themselves will be liquidated to pay liabilities.

At December 31, 2006, the amount of \$13.8 million or 7.0% of net assets represented resources that are subject to restrictions on how they can be used. For 2005, the amount was \$19.3 million or 10.8%. These restricted net assets are not available for new spending because they have already been committed as follows:

	<b>2006</b>	<b>2005</b>
Passenger Facility Charges	\$ 2,109,390	\$ 7,562,936
Bond and Operating and Maintenance Reserves	<u>11,715,126</u>	<u>11,715,126</u>
Total Restricted	<u>\$ 13,824,516</u>	<u>\$ 19,278,062</u>

The remaining unrestricted net assets of \$16.2 million and \$22.6 million for 2006 and 2005, respectively, may be used to meet any of the Airport's ongoing obligations.

### **Airline Signatory Rates and Charges for 2006 and 2005**

The Airport and fourteen (14) airlines and cargo carriers negotiated an agreement effective January 1, 2000, for five years, which establishes how the airlines will be assessed annual rates and charges for their use of the Airport. The agreement establishes rates and charges through a hybrid commercial compensatory methodology with a revenue sharing component. The final rates and charges for the signatory airlines were as follows (2006 rates are finalized after the issuance of these financial statements):

	<b>Year Ended December 31,</b>	
	<u>2006</u>	<u>2005</u>
Landing fees (per 1,000 lbs MGLW)	\$ 1.80	\$ 1.97
Terminal rental rate (per sq ft)	\$ 55.25	\$ 56.78
Loading bridge rate (per bridge)	\$ 40,001	\$ 40,198
Signatory airline cost (per enplaned passenger)	\$ 6.62	\$ 7.08

The airline derived revenue per enplaned passenger is calculated after the settlement of all rates and charges adjustments based on actual revenues and expenditures and inclusion of the net revenue sharing credited to the airlines, which was \$1,643,762 (preliminary) and \$1,542,380 in 2006 and 2005, respectively.

During 2004, the Airport and the airlines successfully negotiated an extension of the existing Use and Lease Agreement, which will be effective from January 1, 2005, through December 31, 2009, with similar terms and conditions.

### **Passenger Facility Charges**

In December 1992, the Airport received approval from the Federal Aviation Administration (FAA) to collect a \$3.00 passenger facility charge (PFC) on each passenger enplaning at the Airport. The Airport had collected PFCs including interest earnings thereon, totaling \$50,220,015 and \$47,269,540 through the years ended December 31, 2006 and 2005, respectively. Additional information regarding PFCs can be found in Note A(3) of the accompanying notes.

### **Customer Facility Charges**

In 1994, the City of Colorado Springs issued \$6,093,000 aggregate principal amount of its Special Facility Bonds to finance the construction of service and storage facilities for rental car companies located on the Airport. The customer facility charge (CFC) was originally established to pay the debt service and expired on September 1, 2004. When the bonds were retired, there was an excess within the fund of \$3,576,541. Per the bond documents, these funds were given to the Airport where \$250,000 was set aside as reserved funds per the rental car agreement and the remaining was recorded as CFC revenue on the financial statements.

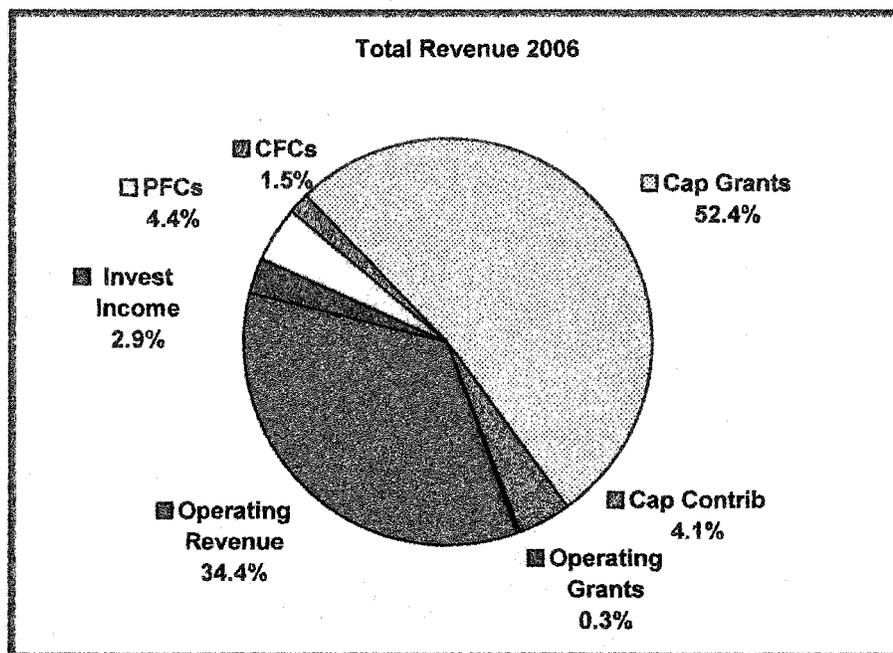
An ordinance (04-32) was approved by the City Council on March 23, 2004, allowing the Airport to continue to collect the CFC. The collection rate of \$1.50 per rental car contract date remains in effect. The rate cannot exceed \$2.50 per rental car contract date without City Council approval.

## Financial Details

### Revenues Overview:

The following schedule presents a summary of all revenues for the fiscal years ended December 31, 2006 and 2005 with a comparison of changes in dollar amounts to the previous years.

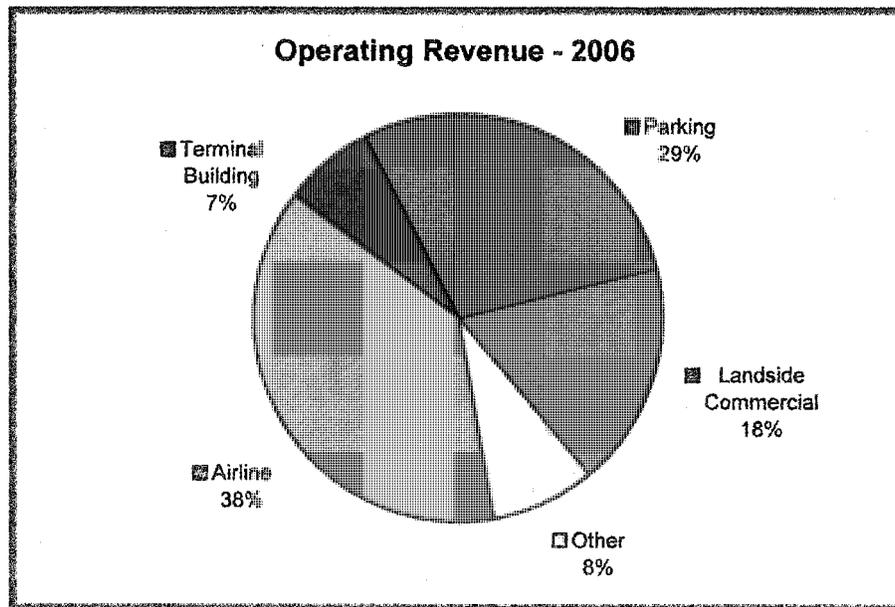
	Year End 12/31/2006	Year End 12/31/2005	\$ Increase/ (Decrease)	Year End 12/31/2004	\$ Increase (Decrease)
<b>Operating Revenues</b>					
Airline	\$ 8,176,697	\$ 8,240,691	\$ (63,994)	\$ 8,245,364	\$ (4,673)
Terminal Building	1,563,121	1,421,576	141,545	1,233,925	187,651
Parking	6,181,680	5,442,665	739,015	5,513,116	(70,451)
Landside Commercial	3,830,488	3,861,853	(31,365)	4,071,732	(209,879)
Other	1,790,033	1,752,563	37,470	1,605,122	147,441
<b>Total Operating Revenues</b>	<b>21,542,019</b>	<b>20,719,348</b>	<b>822,671</b>	<b>20,669,259</b>	<b>50,089</b>
<b>Other Income</b>					
Investment Income	1,819,501	1,077,834	741,667	735,318	342,516
Passenger Facility Charges	2,755,309	2,836,904	(81,595)	2,682,961	153,943
Customer Facility Charges	945,662	991,420	(45,758)	3,590,110	(2,598,690)
Operating Grant	168,487	156,702	11,785	-	156,702
Capital Grants	32,826,799	5,648,091	27,178,708	3,602,446	2,045,645
Capital Contributions	2,554,454	-	2,554,454	-	-
<b>Total Other Income</b>	<b>41,070,212</b>	<b>10,710,951</b>	<b>30,359,261</b>	<b>10,610,835</b>	<b>100,116</b>
<b>TOTAL INCOME</b>	<b>\$ 62,612,231</b>	<b>\$ 31,430,299</b>	<b>\$ 31,181,932</b>	<b>\$ 31,280,094</b>	<b>\$ 150,205</b>



## Operating Revenues:

Significant items for 2006 as compared to 2005 were as follows:

- Airline Revenue decreased by approximately \$63,994 from 2005. Landing fees decreased by \$519,513 due to a reduction in the number of landings, offset by an increase in non-preferential gate usage fees of \$255,306. Terminal rents decreased slightly in 2006 by \$34,393 due to a slightly higher vacancy rate.
- Parking revenues increased by approximately \$739,015 due to increased utilization as a result of the completion of the parking lot construction project which relocated the rental car and short term parking lots. In addition, both the long term and valet parking fees were increased in February of 2006. Terminal building revenues increased due to higher spending per passenger in the food and gift concessions as a result of the new and improved concession outlets in the main terminal.



Significant items for 2005 as compared to 2004 were as follows:

- Airline Revenue decreased by approximately \$4,673 from 2004. Landing fees decreased by \$70,748 due to a decrease in the number of landings, offset by an increase in non-preferential gate usage fees. Terminal rents increased slightly in 2005 by \$13,715 due to an increase in rental rates related to higher operating expenses and lower net revenue available for sharing in 2005.
- Parking revenues decreased by approximately \$70,451 due to the major construction project relocating the rental car and short term parking lots. The parking construction project will be substantially complete in early 2006. Terminal building revenues increased due to additional revenue related to the completion of new food, beverage, and retail concession renovations which were completed in July 2005. There were substantial increases in revenue from rental car counter space due to the increase of on-airport rental car agencies.

- ➔ Landside commercial concessions are primarily composed of rental car privilege and use fees. In 2005, this revenue source decreased by approximately \$209,879 due primarily to lower minimum guarantee payments from bids submitted in 2004.

### Other Income:

The significant items for 2006 as compared to 2005 are as follows:

- ➔ Investment income increased by approximately \$741,667 from 2005, due to higher interest rates earned on the Airport's bond reserve funds and other pooled investments.
- ➔ Capital grants revenue increased in 2006 by \$27,178,708 compared to 2005. This increase is the result of approximately \$36 million in grants from the FAA for the Airport's demolition and rehabilitation of runway 17L/35R.
- ➔ The Airport received \$2,554,454 in capital contributions for infrastructure improvement reimbursements and cost recovery related to several land parcels.

The significant items for 2005 as compared to 2004 are as follows:

- ➔ Investment income increased by approximately \$342,516 from 2004, due primarily to higher interest rates resulting in higher investment income of \$1,077,834 in 2005 from \$735,318 in 2004.
- ➔ Passenger facility charges increased by approximately \$153,943 compared to 2004. The increase was due to a change in the method used for revenue recognition. Prior to January 1, 2005, passenger facility charges were recognized on a cash basis when received in accordance with GASB 33. In 2005, PFC revenue was recognized when earned, not when received in accordance with GASB 34, paragraphs 102 and 436.
- ➔ Capital grants revenue increased in 2005 approximately \$2,045,645 compared to 2004. This increase is the result of higher capital expenditures for projects available for grant reimbursement by the FAA.

### Expense Overview:

The following schedule presents a summary of all expenses for the fiscal years ended December 31, 2006 and 2005, along with comparisons in dollars to the prior years.

	Year End 12/31/2006	Year End 12/31/2005	\$ Increase/ (Decrease)	Year End 12/31/2004	\$ Increase (Decrease)
<b>Operating Expenses</b>					
Salaries and Benefits	\$ 7,477,470	\$ 7,088,325	\$ 389,145	\$ 6,832,347	\$ 255,978
Other Operating Expenses	6,327,062	6,128,459	198,603	6,207,467	(79,008)
<b>Total Operating Expenses</b>	<b>13,804,532</b>	<b>13,216,784</b>	<b>587,748</b>	<b>13,039,814</b>	<b>176,970</b>
Depreciation and gain or loss on disposal of capital assets	28,408,409	8,147,552	20,260,857	7,952,562	194,990
Interest Expense	3,100,210	3,244,482	(144,272)	3,386,807	(142,325)
<b>TOTAL EXPENSES</b>	<b>\$45,313,151</b>	<b>\$24,608,818</b>	<b>\$20,704,333</b>	<b>\$24,379,183</b>	<b>\$ 229,635</b>

The significant issues affecting 2006 expenses as compared to 2005 were as follows:

- ➔ Operating expenses were approximately \$587,748 higher in 2006 compared to 2005. Additional details of operating expenses and explanations of variances are provided below under Expense by Category.
- ➔ Depreciation expense and gain or loss on disposal of capital assets was \$20,260,857 higher than 2005 due to the disposal of assets including the demolition of runway 17L/35R prior to reconstruction and an increase in depreciation due to additions in assets.
- ➔ Interest expense for 2006 was approximately \$144,272 lower than 2005 due to the Airport's debt amortization schedule applying a greater portion of the substantially level debt service payments toward principal and less toward interest each year.

The significant issues affecting 2005 expenses as compared to 2004 were as follows:

- ➔ Operating expenses were approximately \$176,970 higher in 2005 compared to 2004. Additional breakdowns of operating expenses and explanations of variances are provided below under Expense by Category.
- ➔ Depreciation expense was \$194,990 higher than 2004 due to additions in assets.
- ➔ Interest expense for 2005 was approximately \$142,325 lower than 2004 due to the amortization schedule applying a greater portion of the substantially level debt service payments toward principal and less toward interest each year.

**Expense by Category:**

The following chart shows the operating expenses by category for the years ended December 31, 2006 and 2005.

	<b>2006</b>	<b>2006</b>	<b>2005</b>	<b>\$ Increase/ (Decrease)</b>	<b>2005</b>
	<b>Totals</b>	<b>% of Total</b>	<b>Totals</b>		<b>% of Total</b>
Salaries and Benefits	\$ 7,477,470	54.17%	\$ 7,088,325	\$ 389,145	53.63%
Supplies	507,543	3.67%	687,177	(179,634)	5.20%
Repairs and Maintenance	906,812	6.57%	1,236,301	(329,489)	9.35%
Advertising	79,618	0.58%	71,853	7,765	0.54%
Utilities	1,096,817	7.95%	1,069,380	27,437	8.10%
Contract Services	424,014	3.07%	320,417	103,597	2.42%
Parking Management	1,523,210	11.03%	1,475,289	47,921	11.17%
Miscellaneous	1,329,283	9.63%	1,142,462	186,821	8.64%
Capital Expenditures	459,765	3.33%	125,580	334,185	0.95%
<b>TOTAL EXPENSES</b>	<b>\$ 13,804,532</b>	<b>100.00%</b>	<b>\$ 13,216,784</b>	<b>\$ 587,748</b>	<b>100.00%</b>

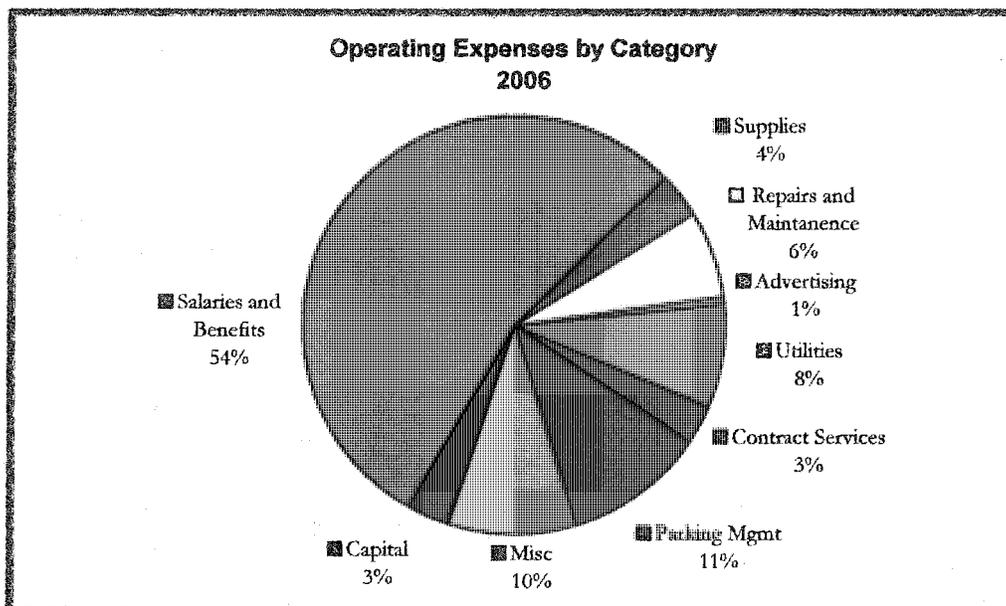
The significant variances between 2006 and 2005 expenses by category were the result of:

- ➔ Salaries and benefits increased \$389,145 in 2006 due to salary progressions and a City wide cost of living increase.
- ➔ Supplies decreased \$179,634 from 2005, due primarily to lower inventory requirements.

- Repairs and maintenance decreased \$329,489 due to the closure of Runway 17L/35R, resulting in reduced repair and maintenance requirements on the airfield.
- Contract services decreased by \$103,597 in 2006 due to fewer requirements for legal and financial services.
- Miscellaneous expenditures were \$186,821 higher than in 2005 due to an increase in the Airport's allocation of the City's shared administrative costs for financial, legal, and other services.
- Capital expenditures increased \$334,185, primarily due to the replacement of several maintenance vehicles.

The significant variances between 2005 and 2004 expenses by category were the result of:

- Salaries and benefits increased \$255,978 in 2005 due to salary progressions.
- Supplies increased \$126,403 in 2005 due primarily to an increase in fuel costs.
- Advertising expenses decreased by \$127,837 in 2005 due to a decision to focus on direct air service marketing with less use of television, radio, and print advertising.
- Contract services decreased by \$271,483 in 2005 due to fewer requirements for legal and financial services.
- Parking management increased by \$132,235 in 2005 compared to 2004 due to an increase in the monthly management fee as provided for in the parking management contract and to increased operating costs related to the parking construction project.



## Budgetary Highlights

	2006 Budget	2006 Actual	% Over/ (Under)	2005 Budget	2005 Actual	% Over/ (Under)
<b>Operating Revenues</b>						
Airline Revenues	\$ 8,655,929	\$ 8,176,697	-5.54%	\$ 8,977,635	\$ 8,240,691	-8.94%
Other Operating Revenues	13,416,917	13,365,322	-0.38%	12,531,235	12,478,657	-0.42%
<b>Total Operating Revenues</b>	<u>22,072,846</u>	<u>21,542,019</u>	<u>-2.40%</u>	<u>21,508,870</u>	<u>20,719,348</u>	<u>-3.81%</u>
Total Operating Expenses	14,664,779	13,804,532	-5.87%	14,328,176	13,216,784	-7.76%
<b>Total Operating Income</b>	<u>\$ 7,408,067</u>	<u>\$ 7,737,487</u>	<u>4.45%</u>	<u>\$ 7,180,694</u>	<u>\$ 7,502,564</u>	<u>4.29%</u>

The significant variances related to 2006 budget and actual figures were as follows:

- ➔ Airline revenues were approximately 5.54% less than budgeted. The Airport experienced fewer landings than originally anticipated at the time the 2006 budget was prepared. Consolidation of routes within the airline industry and the closure of the Airport's east runway contributed to the reduced number of landings. The decrease in landing fees was partially offset by an increase in non-preferential gate usage fees.
- ➔ Operating expenses were 5.87% lower than originally budgeted due to personnel vacancies and lower than anticipated repair and maintenance expenses associated with the airfield. The closure of Runway 17L/35R created a reduced demand for runway repairs.

The significant variances related to 2005 budget and actual figures were as follows:

- ➔ Airline revenues were approximately \$736,944 or 8.94% less than budgeted. Under the airline rates and charges methodology, this reduction is due to lower than anticipated operating expenses outlined under Expense by Category, which resulted in lower landing fees and terminal rents. The decrease in landing fees was partially offset by an increase in non-preferential gate usage fees.
- ➔ Operating expenses were approximately \$1.1 million lower than originally budgeted due to a decreased requirement for contractual services and a change in advertising strategy. In addition, several vacancies contributed to a decrease in personnel costs.

## Long-Term Debt

The Airport had \$57,219,851 and \$60,100,697 in bonds outstanding in five series of bonds; 2002A, 1996A, 1996B, 1992B, and 1992C as of December 31, 2006 and 2005, respectively. The bonds are payable solely from net revenues of the Airport system and from certain funds established under the bond ordinance.

Additional information regarding the Airport's outstanding bonds can be found in Note C(3) of the accompanying notes.

In May of 2006, the Airport signed a loan agreement with U.S. Bank to fund infrastructure improvements to a parcel of land in the Airport Business Park. Loan payments will be funded through a surcharge that will be collected from the tenant per the terms of a lease negotiated in June

of 2006. On December 31, 2006, the outstanding balance on the loan was \$1,283,530. The Airport currently has public bond ratings from the three major rating agencies. Currently the rates are as follows:

Airport Revenue Bonds	Fitch		Moody's		S & P	
	A-	Stable	A3	Stable	A-	Stable

### Capital Acquisition and Construction Activities

During fiscal years ended December 31, 2006 and 2005, the Airport expended approximately \$51 million and \$14 million in capital activities, respectively. Major construction projects in 2006 included security modifications, drainage improvements, the rental car and public parking relocation, infrastructure improvements along the west side (Aviation Way) of the Airport, the rehabilitation of Runway 17L/35R, and infrastructure improvements for the Airport Business Park. Property and equipment acquisitions are capitalized at cost if over \$5,000.

Major capital projects for the years ended December 31 included:

	<u>2006</u>	<u>2005</u>
Taxiway C Extension	\$ 172,333	\$ 529,609
Rehabilitation of Taxiway E, G	37	-
Taxiway H Extension	8,746	2,800,135
Rental Car/ Public Parking/ Roadway Improvements	2,292,067	4,135,203
Resurface Airport Entry/Exit Roads	1,666	-
Vehicle Service Road	878,198	44,975
WAD - Roads	578,616	-
Terminal Expansion Improvements	510,148	1,639,740
Business Park Development	2,780,467	842,389
Relocation of ETD Equipment	126,383	103,498
Aviation Way Expansion	2,393,640	952,465
GA Taxilane/Holding Bay	18,439	62,790
Security Modifications	841,263	447,546
Taxiway E Pavement Survey	282,892	210,747
Roadway Signage	49,039	50,427
Runway 17L/35R Rehabilitation	32,832,086	1,347,798
WAD Taxilane	53,457	518,395
Airport Information Booth	-	56,183
Rental Car Office Remodel	-	33,114
Airport Drainage Improvements	5,302,126	35,219
Development Office Remodel	2,654	51,557
FAA Localizer	-	162,822
Carpet Replacement	438,315	-
South GA Taxilane	466,439	-
Miscellaneous other Airport improvements	<u>404,019</u>	<u>90,680</u>
Total	\$ 50,433,030	\$ 14,115,292

Acquisitions are funded using a variety of financing techniques, including federal grants, passenger facility charges, customer facility charges, issuance of airport system revenue bonds and the Airport's capital fund.

Additional information regarding capital assets can be found in Note C(2).

**Request for Information**

This financial report is designed to provide a general overview of the Airport's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to: Gisela Shanahan, Assistant Director of Aviation - Finance & Administration, Colorado Springs Airport, 7770 Milton E. Proby Parkway, Suite 50, Colorado Springs, Colorado, 80916 or by email to [gshanahan@springsgov.com](mailto:gshanahan@springsgov.com).

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
BALANCE SHEETS  
December 31, 2006 and 2005

	2006	2005
ASSETS		
CURRENT ASSETS		
Unrestricted cash and investments	\$ 24,531,497	\$ 25,675,347
Restricted cash and investments	7,989,834	13,443,379
Accounts receivable	8,051,398	2,174,933
Due from other City funds	50	13,940
Total current assets	40,572,779	41,307,599
NONCURRENT ASSETS		
Restricted assets		
Investments	5,834,683	5,834,683
Unamortized bond issuance costs	601,441	670,264
Note Receivable	1,288,586	-
Capital assets		
Land	18,423,581	18,423,581
Buildings	93,353,277	88,460,646
Improvements other than buildings	87,133,906	125,506,949
Machinery and equipment	5,645,340	4,160,389
Infrastructure	16,795,306	16,795,306
Vehicles	4,363,730	4,537,074
Construction in progress	57,337,685	14,482,496
Less accumulated depreciation	(64,937,976)	(76,051,576)
Total capital assets (net of accumulated depreciation and amortization)	218,114,849	196,314,865
Total noncurrent assets	225,839,559	202,819,812
Total assets	\$ 266,412,338	\$ 244,127,411

(continued)

The accompanying notes are an integral part of these statements.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
BALANCE SHEETS - CONTINUED  
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of revenue bonds payable	\$ 3,213,493	\$ 3,156,421
Current portion of note payable	596,817	-
Accounts payable	10,204,676	3,808,187
Accrued salaries, benefits	612,454	496,660
Due to other City funds	112,642	109,066
Deferred revenue and other tenant deposits	<u>1,110,771</u>	<u>1,152,840</u>
Total current liabilities	<u>15,850,853</u>	<u>8,723,174</u>
<b>NONCURRENT LIABILITIES</b>		
Revenue bonds payable	53,328,643	56,189,010
Note Payable	686,713	-
Accrued sick leave benefits	<u>384,979</u>	<u>353,157</u>
Total noncurrent liabilities	<u>54,400,335</u>	<u>56,542,167</u>
Total liabilities	<u>70,251,188</u>	<u>65,265,341</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	166,123,866	136,969,435
Restricted net assets	13,824,516	19,278,062
Unrestricted net assets	<u>16,212,768</u>	<u>22,614,573</u>
Total net assets	<u>196,161,150</u>	<u>178,862,070</u>
Total liabilities and net assets	<u>\$ 266,412,338</u>	<u>\$ 244,127,411</u>

The accompanying notes are an integral part of these statements.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
Year ended December 31, 2006 and 2005

	2006	2005
Operating revenues		
Airline revenues	\$ 8,176,697	\$ 8,240,691
Terminal building concessions	1,563,121	1,421,576
Parking concessions	6,181,680	5,442,665
Landside commercial concessions	3,830,488	3,861,853
Other charges	1,790,033	1,752,563
Total operating revenues	21,542,019	20,719,348
Operating expenses		
Salaries and benefits	7,477,470	7,088,325
Other operating expenses	6,327,062	6,128,459
Depreciation	8,552,544	8,157,208
Total operating expenses	22,357,076	21,373,992
Operating income (loss)	(815,057)	(654,644)
Non-operating revenues (expenses)		
Investment income	1,819,501	1,077,834
Passenger facility charges	2,755,309	2,836,904
Customer facility charges	945,662	991,420
Operating grant	168,487	156,702
Interest expense	(3,100,210)	(3,244,482)
Gain/loss on disposal of capital assets	(19,855,865)	9,656
Total non-operating revenues (expenses)	(17,267,116)	1,828,034
Income before contributions	(18,082,173)	1,173,390
Capital grants	32,826,799	5,648,091
Capital contributions	2,554,454	-
Change in net assets	17,299,080	6,821,481
Total net assets – beginning of year	178,862,070	172,040,589
Total net assets – end of year	\$ 196,161,150	\$ 178,862,070

The accompanying notes are an integral part of these statements.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
STATEMENTS OF CASH FLOWS  
Year ended December 31, 2006 and 2005

	2006	2005
Cash flows from operating activities		
Receipts from customers	\$ 21,569,500	\$ 20,749,966
Receipts from interfund services provided	45,377	36,742
Payments to suppliers	(3,435,644)	(3,566,535)
Payments to employees	(7,329,855)	(7,093,600)
Payments for interfund services used	<u>(2,652,948)</u>	<u>(2,546,885)</u>
Net cash provided by operating activities	<u>8,196,430</u>	<u>7,579,688</u>
Cash flows from noncapital financing activities		
Operating grant	<u>150,000</u>	<u>120,500</u>
Cash flows from capital and related financing activities		
Capital grant	26,770,403	6,847,500
Capital expenditures	(21,937,174)	(11,176,091)
Passenger facility charges	2,763,025	2,652,968
Customer facility charges	945,662	991,420
Principal payments on revenue bonds	(3,230,000)	(3,170,000)
Interest payments on revenue bonds	(2,604,683)	(2,658,348)
Payment from accounts payable incurred for fixed asset additions	<u>(5,209,967)</u>	<u>(3,890,829)</u>
Net cash used in capital and related financing activities	<u>(2,502,734)</u>	<u>(10,403,380)</u>
Cash flows from investing activities		
Interest received on investments	1,483,774	1,348,569
Purchases of investments	(17,396,409)	(40,197,037)
Proceeds from sales and maturities of investments	<u>11,420,878</u>	<u>40,197,360</u>
Net cash provided by (used in) investing activities	<u>(4,491,757)</u>	<u>1,348,892</u>
Net increase (decrease) in cash and cash equivalents	1,351,939	(1,354,300)
Cash and cash equivalents – beginning of year	<u>197,701</u>	<u>1,552,001</u>
Cash and cash equivalents – end of year	1,549,640	197,701
Investments	<u>36,806,374</u>	<u>44,755,708</u>
Cash and investments	<u>\$ 38,356,014</u>	<u>\$ 44,953,409</u>
	December 31,	December 31,
	2006	2005
Reconciliation of cash and investments to the balance sheet		
Unrestricted cash and investments	\$ 24,531,497	\$ 25,675,347
Restricted cash and investments	<u>13,824,517</u>	<u>19,278,062</u>
Total cash and investments	<u>\$ 38,356,014</u>	<u>\$ 44,953,409</u>

(continued)

The accompanying notes are an integral part of these statements.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
STATEMENTS OF CASH FLOWS - CONTINUED  
Year ended December 31, 2006 and 2005

	2006	2005
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (815,057)	\$ (654,644)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	8,552,544	8,157,208
(Increase) decrease in assets		
Receivables	101,062	52,102
Due from other City funds	13,864	5,123
Increase (decrease) in liabilities		
Accounts payable	234,895	9,549
Accrued salaries, benefits, and sick leave benefits	147,616	(5,275)
Due to other City funds	3,575	5,490
Deferred revenue and other tenant deposits	(42,069)	10,135
Net cash provided by operating activities	\$ 8,196,430	\$ 7,579,688

Noncash capital and related financing and investing activities:

The Airport had unrealized losses on investments of \$303,869 and \$270,735 for the years ended December 31, 2006 and 2005, respectively. The Airport obtained fixed assets through incurring payables in the amount of \$9,100,795 and \$2,939,201 as of December 31, 2006 and 2005, respectively.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Financial reporting entity*

The City of Colorado Springs owns and operates the Colorado Springs Municipal Airport, which provides air transportation services for Colorado Springs, El Paso County, and surrounding communities. The Airport is located in the southeastern part of the City of Colorado Springs, Colorado.

The City, as lessor, has entered into lease agreements with various airlines, rental car companies, terminal concession operators, general aviation service providers, and business park tenants. The agreements cover not only the lease of airport building space and land to the lessees, but also the lessees' payment of fees to the Airport based on the lessees' revenues. In addition, the City is a party to a parking management contract in which the City receives all revenues from its public parking facility and pays operating expenses and a management fee to the operator. Substantially all Airport revenue is generated from these agreements.

The Colorado Springs Municipal Airport (Airport) is an enterprise fund of the City of Colorado Springs, Colorado. These financial statements present only the financial position of the Colorado Springs Municipal Airport. These financial statements do not purport to, and do not, present fairly the financial position of the City of Colorado Springs, Colorado, and the changes in its financial position and its cash flows in conformity with accounting principles generally accepted in the United States of America.

A Director of Aviation directs and manages the Airport. This Director reports to one of the Assistant City Managers who is appointed by the City Manager, who, in turn, is appointed by the City Council. Major policy decisions are subject to the approval of the City Council.

2. *Measurement focus, basis of accounting and financial statement presentation*

Airport funds are accounted for using the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Airport applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as all Financial Accounting Standards Board pronouncements (including those issued after November 30, 1989) unless those pronouncements conflict with or contradict GASB pronouncements, in accounting and reporting for its operations.

The Airport distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Airport's principal ongoing operations. The principal operating revenues of the Airport are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. *Measurement focus, basis of accounting and financial statement presentation - continued*

expenses. When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed.

3. *Assets, liabilities and net assets*

A. Deposits and investments

The Airport's cash and cash equivalents are considered to be cash on hand, demand deposits, repurchase agreements and amounts in the pooled cash and investment accounts of the City of Colorado Springs.

Investments are stated at fair value determined by quoted market prices.

B. Capital assets and depreciation

Capital assets are carried at cost. The Airport capitalizes acquired property that is of a tangible nature, has an estimated useful life of three years or more, and has a value of at least \$5,000.

Depreciation of capital assets for the Airport is provided for using the straight-line method based on the estimated service lives of the assets, which are as follows:

Buildings	40 – 45 years
Improvements other than buildings	25 – 30 years
Machinery and equipment	5 – 15 years
Infrastructure	40 – 50 years
Vehicles	5 – 15 years

Interest is capitalized on fixed assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. *Assets, liabilities and net assets - continued*

C. Compensated absences

The Airport's employees earn vacation and sick leave in varying amounts. The amount of accumulated, unpaid vacation and sick leave benefits at year-end is accrued and shown on the balance sheet.

D. Restricted net assets

In accordance with applicable bond ordinance provisions and federal regulations, certain cash and investments are restricted and have been included in the accompanying balance sheets as restricted cash and investments. Additionally, the bond ordinance and federal regulations also require restriction of net assets for specific purposes, including operating expense reserves, debt service reserves and approved capital improvement projects. Net asset amounts required to be restricted are shown in the accompanying balance sheets as restricted net assets.

E. Passenger facility charges

The Federal Aviation Administration (FAA) has approved previously filed applications of the Airport for the right to impose passenger facility charges (PFCs) on enplaned passengers at the Airport. PFC revenue is required to be used to fund FAA approved capital projects eligible under federal legislation permitting the imposition of PFCs. The approved Airport projects include certain completed and ongoing projects such as runway and taxiway rehabilitations, security enhancements, roadway upgrades and drainage improvements. GASB 34 requires PFCs be recognized when earned, not when received. Unspent PFC revenue is recorded in the financial statements as restricted cash and restricted net assets.

F. Customer facility charges

In 1994, the City of Colorado Springs issued \$6,093,000 aggregate principal amount of its Special Facility Bonds to finance the construction of service and storage facilities for rental car companies located on the Airport. The customer facility charge (CFC) was originally established to pay the debt service and expired on September 1, 2004. When the bonds were retired, there was an excess held by the bond trustee of \$3,576,541. Per the bond documents, these funds were returned to the Airport where \$250,000 was set aside as reserved funds as required under the rental car concession agreement and the remaining was recorded as CFC revenue on the financial statements.

An ordinance (04-32) was approved by the City Council on March 23, 2004, allowing the Airport to continue to collect the CFCs for the purpose of funding rental car improvement projects. The collection rate of \$1.50 per rental car contract date has remained in effect since the adoption of the ordinance. The rate cannot exceed \$2.50 per rental car contract day without City Council approval.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. *Assets, liabilities and net assets - continued*

G. Unamortized bond issue costs

Unamortized bond issue costs are amortized over the life of the bond issue using the effective interest method.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. *Budgetary information*

In accordance with City Charter, the Airport is required to submit a balanced budget to City Council on or before the third Monday of November of each year. The budget is reviewed and modified as appropriate and an appropriation ordinance is prepared to adopt the budget no later than December 31 of each year. Annual appropriations lapse at year-end. The budget of the Airport is prepared on a modified accrual, non-GAAP, basis of accounting.

Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP), a reconciliation of resultant basis, timing and perspective for the years ended December 31, 2006 and 2005, is presented below:

	2006	2005
Operating expenses (US GAAP basis)	\$ 22,357,076	\$ 21,373,992
Non-operating expenses (US GAAP basis)	<u>22,956,075</u>	<u>3,234,826</u>
	45,313,151	24,608,818
Less: Depreciation expense	(8,552,544)	(8,157,208)
Add: Capital expenditures (accrual basis)	<u>50,417,281</u>	<u>14,115,292</u>
 Expenditures (budgetary basis)	 <u>\$ 87,177,888</u>	 <u>\$ 30,566,902</u>
 Appropriations	 <u>\$ 95,166,352</u>	 <u>\$ 81,371,308</u>

NOTE C – DETAILED NOTES

1. *Deposits and investments*

The City of Colorado Springs pools the cash and investments of its funds, including the Airport. The City's pooled cash and investments as of December 31, 2006 and 2005, amounted to

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE C – DETAILED NOTES – Continued

1. *Deposits and investments - continued*

\$161,820,946 and \$167,139,613, respectively. The Airport's allocated portion of pooled cash and investments as of December 31, 2006 and 2005, was \$32,521,331 and \$39,118,726, respectively. The Airport's portion was approximately 20% and 23% of the total pooled cash and investments of the City as of December 31, 2006 and 2005. The pooled cash and investments of the City and the Airport as of December 31, 2006 and 2005, are as follows:

	December 31, 2006		December 31, 2005	
	City	Airport	City	Airport
Cash on hand	\$ 14,542	\$ 2,923	\$ 19,242	\$ 4,438
Deposits				
Demand, time deposits	7,696,705	1,546,717	825,741	193,263
	7,711,247	1,549,640	844,983	197,701
Investments	154,109,699	30,971,691	166,294,630	38,921,025
Total pooled cash and investments	\$ 161,820,946	\$ 32,521,331	\$ 167,139,613	\$ 39,118,726

Restricted investments

As of December 31, 2006 and 2005, the Airport's restricted investments are comprised of the repurchase agreements of \$5,834,682.50 for both years.

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that financial institutions pledge a single institution pool of collateral against all the uninsured public deposits it holds, and the market value of the securities in the pool is required to be in excess of one hundred two percent of the financial institution's total uninsured public deposits.

As of December 31, 2006, the bank balance of the City of Colorado Springs' bank deposits exclusive of cash not included in pooled cash and investments was \$12,256,718. Of the total bank deposits, \$183,847 was covered by Federal Depository Insurance and the remainder of \$12,072,871 was uninsured but collateralized in accordance with Colorado state law. The Airport's share of those amounts as of December 31, 2006, was \$23,244 and \$1,526,396, respectively.

The City of Colorado Springs and the Airport's investments are subject to interest rate, credit risk and concentration of credit risk. The City has adopted an Investment Policy requiring all investments be made in accordance with Colorado revised statutes. As a means of limiting its exposure to fair value losses arising from rising interest, the City's investment policy limits investment maturities to five years. As of December 31, 2006, the detail of pooled cash and investments held for the City and the Airport is as follows:

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE C – DETAILED NOTES – Continued

1. *Deposits and investments – continued*

Investments - continued

<u>Investment type</u>	<u>Fair Value</u> <u>City</u>	<u>Fair Value</u> <u>Airport</u>	<u>Weighted Average</u> <u>Maturity (years)</u>
Money market mutual funds	\$ 556,562	\$ 111,853	0.00
Repurchase agreements	12,012,849	2,414,243	0.00
US Treasury securities	28,460,926	5,719,841	0.89
US Instrumentality securities	106,456,810	21,394,808	1.76
Corporate fixed-income securities	4,223,434	848,791	1.22
Mortgages pooled	<u>2,399,118</u>	<u>482,155</u>	2.36
Total fair value	154,109,699	30,971,691	
Portfolio weighted average maturity			1.95
Reconciliation to Total Pooled Cash and Investments			
Add: Cash on hand and in banks	<u>7,711,247</u>	<u>1,549,640</u>	
	<u>\$161,820,946</u>	<u>\$ 32,521,331</u>	

As of December 31, 2005, the detail of pooled cash and investments held for the City and the Airport is as follows:

<u>Investment type</u>	<u>Fair Value</u> <u>City</u>	<u>Fair Value</u> <u>Airport</u>	<u>Weighted Average</u> <u>Maturity (years)</u>
Money market mutual funds	\$ 218,823	\$ 51,215	0.00
Repurchase agreements	10,428,227	2,440,712	0.00
Commercial Paper	157,227	36,799	0.38
US Treasury securities	32,042,997	7,499,619	0.89
US Instrumentality securities	116,672,873	27,307,122	1.76
Corporate fixed-income securities	3,720,023	870,666	1.22
Mortgages pooled	<u>3,054,460</u>	<u>714,892</u>	2.36
Total fair value	166,294,630	38,921,025	
Portfolio weighted average maturity			1.48
Reconciliation to Total Pooled Cash and Investments			
Add: Cash on hand and in banks	<u>844,983</u>	<u>197,701</u>	
	<u>\$167,139,613</u>	<u>\$ 39,118,726</u>	

Colorado Springs Municipal Airport  
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NOTE C – DETAILED NOTES – Continued

1. *Deposits and investments – continued*

Investments - continued

Credit Quality Distribution for Securities as a Percentage of Total Investments

	<u>S&amp;P Rating</u>	<u>% of Total</u>
Money market mutual funds	AAAm	0.36%
Repurchase agreements	-	7.79%
US Treasury securities	AAA	18.47%
Federal Farm Credit Banks	AAA	7.86%
Federal Home Loan Bank System	AAA	22.98%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA	21.74%
Fannie May (Federal National Mortgage Association)	AAA	16.50%
Corporate bonds	AAA	0.70%
Corporate bonds	AA	1.06%
Corporate bonds	A	0.98%
Mortgage bonds	AAA	<u>1.56%</u>
		<u>100.00%</u>

As of December 31, 2006 and 2005, the City had entered into several repurchase agreements in order to temporarily invest excess cash. Underlying collateral for these agreements is composed of direct obligations of the U.S. Government or its agencies and market value of this collateral exceeds 100% of carrying value.

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NOTE C – DETAILED NOTES – Continued

2. *Capital assets*

Capital assets activity for the year ended December 31, 2006, was as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Capital assets being depreciated:				
Buildings	\$ 88,460,646	\$ 5,281,163	\$ (388,532)	\$ 93,353,277
Improvements other than buildings	125,506,949	199,518	(38,572,561)	87,133,906
Machinery and equipment	4,160,389	1,865,508	(380,557)	5,645,340
Vehicles	4,537,074	117,280	(290,624)	4,363,730
Infrastructure	<u>16,795,306</u>	<u>-</u>	<u>-</u>	<u>16,795,306</u>
Total capital assets Being depreciated	<u>239,460,364</u>	<u>7,463,469</u>	<u>(39,632,274)</u>	<u>207,291,559</u>
Less accumulated depreciation for:				
Buildings	(24,886,597)	(2,505,068)	286,190	(27,105,475)
Improvements other than buildings	(43,541,196)	(4,997,107)	18,744,650	(29,793,653)
Machinery and equipment	(2,436,465)	(410,043)	344,680	(2,501,828)
Vehicles	(4,227,125)	(160,990)	290,624	(4,097,491)
Infrastructure	<u>(960,193)</u>	<u>(479,336)</u>	<u>-</u>	<u>(1,439,529)</u>
Total accumulated depreciation	<u>(76,051,576)</u>	<u>(8,552,544)</u>	<u>19,666,144</u>	<u>(64,937,976)</u>
Total capital assets Being depreciated, net	<u>163,408,788</u>	<u>(1,089,075)</u>	<u>(19,966,130)</u>	<u>142,353,583</u>
Capital assets not being depreciated :				
Land	18,423,581	-	-	18,423,581
Construction in progress	<u>14,482,496</u>	<u>48,742,912</u>	<u>(5,887,723)</u>	<u>57,337,685</u>
Total capital assets, not being depreciated	<u>32,906,077</u>	<u>48,742,912</u>	<u>(5,887,723)</u>	<u>75,761,266</u>
Capital assets, net	<u>\$196,314,865</u>	<u>\$47,653,837</u>	<u>\$(25,853,853)</u>	<u>\$218,114,849</u>

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

NOTE C – DETAILED NOTES – Continued

2. *Capital assets – continued*

Capital assets activity for the year ended December 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Capital assets being depreciated:				
Buildings	\$ 88,460,646	\$ -	\$ -	\$ 88,460,646
Improvements other than buildings	114,089,694	11,417,255	-	125,506,949
Machinery and equipment	4,104,780	55,609	-	4,160,389
Vehicles	4,555,329	35,070	(53,325)	4,537,074
Infrastructure	<u>16,795,306</u>	<u>-</u>	<u>-</u>	<u>16,795,306</u>
Total capital assets Being depreciated	<u>228,005,755</u>	<u>11,507,934</u>	<u>(53,325)</u>	<u>239,460,364</u>
Less accumulated depreciation for:				
Buildings	(22,498,939)	(2,387,658)	-	(24,886,597)
Improvements other than buildings	(38,810,904)	(4,730,292)	-	(43,541,196)
Machinery and equipment	(2,088,051)	(348,414)	-	(2,436,465)
Vehicles	(4,067,692)	(211,508)	52,075	(4,227,125)
Infrastructure	<u>(480,857)</u>	<u>(479,336)</u>	<u>-</u>	<u>(960,193)</u>
Total accumulated depreciation	<u>(67,946,443)</u>	<u>(8,157,208)</u>	<u>52,075</u>	<u>(76,051,576)</u>
Total capital assets Being depreciated, net	<u>160,059,312</u>	<u>3,350,726</u>	<u>(1,250)</u>	<u>163,408,788</u>
Capital assets not being depreciated :				
Land	18,423,581	-	-	18,423,581
Construction in progress	<u>11,875,138</u>	<u>9,700,392</u>	<u>(7,093,034)</u>	<u>14,482,496</u>
Total capital assets, not being depreciated	<u>30,298,719</u>	<u>9,700,392</u>	<u>(7,093,034)</u>	<u>32,906,077</u>
Capital assets, net	<u>\$190,358,031</u>	<u>\$13,051,118</u>	<u>\$ (7,094,284)</u>	<u>\$196,314,865</u>

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NOTE C – DETAILED NOTES – Continued

3. *Revenue bonds payable*

In December 2002, the City of Colorado Springs issued \$43,005,000 of Refunding Airport System Revenue Bonds, Series 2002A for a current refunding of \$41,650,000 of 1992A Airport System Revenue Bonds. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was above the net carrying amount of the old debt by \$1,049,331. This amount is being netted against the new debt and amortized over the old debt's life, which is equal to the life of the new debt. The Series 2002A Serial bonds, of which \$18,580,000 mature from 2005 to 2015, have interest rates ranging from 3.00% to 4.75%. Series 2002A term bonds of \$17,615,000 and \$4,065,000 are due from 2016 to 2020 and 2021 to 2022, respectively, and have interest rates of 4.75% and 5.00%, respectively.

In December 1996, the City of Colorado Springs issued \$12,450,000 Airport System Revenue Bonds, Series 1996A and \$3,485,000 Airport System Revenue Bonds, Series 1996B for the purposes of paying a portion of the costs of capital improvements at the Colorado Springs Municipal Airport, funding capitalized interest and a reserve fund, and to pay certain costs of issuance.

Series 1996A serial bonds of \$5,180,000 mature from 1999 to 2012 and have interest rates ranging from 4.00% to 5.20%. Series 1996A term bonds of \$3,045,000 and \$3,935,000 are due in 2017 and 2022 and both have an interest rate of 5.25%, respectively. Series 1996B serial bonds of \$1,440,000 mature from 1999 to 2012 and have interest rates ranging from 4.15% to 5.35%. Series 1996B term bonds of \$1,965,000 are due in 2022 with an interest rate of 5.50%. The 1996A and 1996B term bonds are subject to mandatory sinking fund redemption at varying dates at a redemption price equal to the principal amount of such 1996A and 1996B term bonds redeemed plus accrued interest to the respective redemption dates.

In October 1992, the City of Colorado Springs, Colorado issued \$47,390,000 Airport System Revenue Bonds, Series 1992A, \$9,000,000 Airport System Revenue Bonds, Series 1992B and \$6,582,687 Airport System Revenue Bonds, Series 1992C for the purposes of paying a portion of the costs of a new terminal building and other capital improvements at the Colorado Springs Municipal Airport, funding capitalized interest and a reserve fund, and to pay certain costs of issuance. The 1992A bonds were refunded during 2002 by the 2002A Airport Refunding Revenue Bonds outlined above. The Series 1992B bonds were redeemed during 1994.

As of December 31, 2006, Series 1992C capital appreciation bonds of \$6,019,851 (\$2,069,948 original principal amount plus \$3,949,903 of interest accreted through December 31, 2006) mature from 2001 to 2010 and have approximate yields to maturity of 6.80% to 7.20%.

All bonds are special obligations of the City payable solely from net revenues of the Airport System and from certain funds established under the bond ordinance.

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NOTE C – DETAILED NOTES – Continued

3. Revenue bonds payable – continued

Maturities of the Airport System Revenue Bonds and related interest expense are as follows as of December 31, 2006:

Year ending December 31,	2002A		1996A		1996B		1992C		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$1,060,000	\$1,919,312	\$430,000	\$486,523	\$120,000	\$142,575	\$1,603,493	\$275,575	\$3,213,493	\$2,823,985
2008	1,100,000	1,882,213	450,000	465,453	125,000	136,515	1,535,453	204,068	3,210,453	2,688,249
2009	750,000	1,840,962	470,000	442,952	130,000	130,077	1,470,754	134,294	2,820,754	2,548,285
2010	780,000	1,810,962	495,000	418,982	140,000	123,252	1,410,151	66,212	2,825,151	2,419,408
2011-2015	13,860,000	7,472,038	2,890,000	1,680,528	810,000	495,608	-	-	17,560,000	9,648,174
2016-2020	17,615,000	3,717,500	3,740,000	837,113	1,055,000	247,500	-	-	22,410,000	4,802,113
2021	4,065,000	203,250	870,000	45,675	245,000	13,475	-	-	5,180,000	262,400
Totals	\$39,230,000	\$18,846,237	\$9,345,000	\$4,377,226	\$2,625,000	\$1,289,002	\$6,019,851	\$680,149	\$57,219,851	\$25,192,614

Interest on the 1992C bonds shown above is added to the original issue amount of the bonds.

Payments on the 1992C bonds of principal and interest will be made in the amount of \$1,675,000 in each of the years 2007 through 2010.

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NOTE C – DETAILED NOTES – Continued

4. *Note Payable/Note Receivable*

On May 16, 2006, the Airport entered into a loan agreement, not to exceed \$3,047,514, with U.S. Bank National Association to fund improvements to a parcel of land in the Airport's Business Park. The improvements consist of infrastructure development, including utility lines, roads, and general grading in order to prepare the property for development. The loan is collateralized by real property. The total amount outstanding as of December 31, 2006, is \$1,283,350. Loan payments through May 15, 2036, will be made with funds derived from a surcharge, above and beyond the monthly land lease, that is collected from the tenant.

Related to the Note Payable is a Note Receivable that represents the tenant's infrastructure surcharge payment discussed above. The ground lease for the land parcel has been structured such that it contains two components. The first component will be the ground rent. The second component of the lease will be a surcharge in the exact amount needed to repay the commercial loan. This revenue stream will be used strictly to repay the loan, and will be kept separate from the flow of funds associated with the Airline Use and Lease Agreement.

The following is an amortization schedule (including Principal and Interest) for a five year period as of December 31, 2006:

<u>Year ending December 31,</u>	<u>Draw Amount</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2006	\$ 1,307,644	\$ 38,116	\$ 14,001	\$ 24,115
2007	1,739,870	806,408	209,591	596,817
2008	-	228,696	208,431	20,265
2009	-	228,696	206,004	22,692
2010	-	228,696	203,970	24,726
2011	-	228,696	201,752	26,944
Totals	<u>\$ 3,047,514</u>	<u>\$ 1,759,308</u>	<u>\$ 1,043,749</u>	<u>\$ 715,559</u>

5. *Leases*

The Airport leases facilities and land to various airlines, concessionaires, and others. Substantially all of the leases are operating leases for land, buildings, and terminal space, most of which expired and were reissued during 2004. The leases contain provisions for cancellation by either party if certain conditions are met. The following is a schedule, by year, of minimum

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NOTE C – DETAILED NOTES – Continued

5. *Leases - continued*

future rentals of the operating leases for a ten year period as of December 31, 2006:

Year ending <u>December 31,</u>	
2007	\$ 11,711,427
2008	11,562,211
2009	11,616,131
2010	1,723,071
2011	1,619,936
2012-2016	<u>4,978,361</u>
	<u>\$ 43,211,137</u>

Minimum future rentals do not include contingent rentals, which may be received under certain leases on the basis of revenue, fuel flow, or number of uses. Contingent rentals amounted to \$497,541 and \$606,772 for the years ended December 31, 2006 and 2005, respectively.

The following is an analysis of the Airport's investment in property on operating leases and property held for lease by major classes as of the dates indicated:

	<u>December 31,</u> 2006	<u>December 31,</u> 2005
Land	\$ 18,423,581	\$ 18,423,581
Buildings	93,353,277	88,460,646
Improvements other than buildings	87,133,906	125,506,949
Infrastructure	<u>16,795,306</u>	<u>16,795,306</u>
	215,706,070	249,186,482
Less accumulated depreciation	<u>(58,338,657)</u>	<u>(69,387,986)</u>
	<u>\$ 157,367,413</u>	<u>\$ 179,178,496</u>

Additionally, the United States Air Force leases property from the City pursuant to a ninety-nine year lease and in turn Peterson Air Force Base furnishes all aircraft rescue and fire fighting services at the Airport as annual contributions (in-kind services) in lieu of payment of landing fees under the lease.

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NOTE C – DETAILED NOTES – Continued

6. *Changes in long-term liabilities*

Long-term liabilities activity for the year ended December 31, 2006, was as follows:

	<u>Balance</u> <u>January 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2006</u>	<u>Due</u> <u>within</u> <u>one year</u>
Revenue bonds	\$ 60,100,697	\$ 349,153	\$ (3,229,999)	\$ 57,219,851	\$ 3,213,493
Deferred amounts:					
For issuance premiums	7,099	-	(710)	6,389	-
On refundings	<u>(762,365)</u>	<u>-</u>	<u>78,261</u>	<u>(684,104)</u>	<u>-</u>
Total bonds payable	59,345,431	349,153	(3,152,448)	56,542,136	3,213,493
Note payable	-	1,283,530	-	1,283,530	596,817
Compensated absences- accrued sick leave benefits	<u>353,157</u>	<u>31,822</u>	<u>-</u>	<u>384,979</u>	<u>-</u>
Long-term liabilities	<u>\$ 59,698,588</u>	<u>\$ 1,664,505</u>	<u>\$ (3,152,448)</u>	<u>\$ 58,210,645</u>	<u>\$ 3,810,310</u>

Long-term liabilities activity for the year ended December 31, 2005, was as follows:

	<u>Balance</u> <u>January 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2005</u>	<u>Due</u> <u>within</u> <u>one year</u>
Revenue bonds	\$ 62,846,355	\$ 424,344	\$ (3,170,002)	\$ 60,100,697	\$ 3,156,421
Deferred amounts:					
For issuance premiums	7,888	-	(789)	7,099	-
On refundings	<u>(848,875)</u>	<u>-</u>	<u>86,510</u>	<u>(762,365)</u>	<u>-</u>
Total bonds payable	62,005,368	424,344	(3,084,281)	59,345,431	3,156,421
Note Payable	-	-	-	-	-
Compensated absences- accrued sick leave benefits	<u>328,515</u>	<u>24,642</u>	<u>-</u>	<u>353,157</u>	<u>-</u>
Long-term liabilities	<u>\$ 62,333,883</u>	<u>\$ 448,986</u>	<u>\$ (3,084,281)</u>	<u>\$ 59,698,588</u>	<u>\$ 3,156,421</u>

7. *Interfund receivables and payables*

The composition of interfund balances as of December 31, 2006, is as follows:

	<u>Current</u>	<u>Non-current</u>
Due from general fund	\$ 50	\$ -
Due from utilities fund	<u>-</u>	<u>-</u>
Due from other City funds	\$ 50	\$ -
Due to general fund	-	-
Due to utilities fund	<u>112,642</u>	<u>-</u>
Due to other City funds	<u>\$ 112,642</u>	<u>\$ -</u>

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NOTE D – OTHER INFORMATION

1. *Risk management*

The City of Colorado Springs has established a risk management division to coordinate and administer workers' compensation, property and general liability insurance programs for all its activities and operations. For workers' compensation coverage, the City has purchased commercial insurance to cover losses in excess of \$750,000 per occurrence. The City pays losses less than this amount through its Workers Compensation Self-Insurance fund. The Airport is included in the Workers' Compensation Self-Insurance program. For major property coverage, the City has purchased commercial insurance policies with varying deductibles. All deductibles related to these policies are paid from the budget of the individual departments so affected. The Airport is included in the property coverage of the City. General liability coverage for the Airport is purchased from commercial carriers for losses up to \$100,000,000. No claims were incurred in excess of the coverage for 2006, 2005 or 2004.

2. *Post-retirement health care and life insurance benefits*

In accordance with the City of Colorado Springs' Personnel Policy, the Airport offers a health care plan, including life insurance benefits, to retirees with the Airport's contribution determined by City Council. Employees retiring prior to 1979 receive this health care plan benefit without cost to the employee. Those retiring during or after 1979 receive a limited Airport contribution not to exceed \$91.40 per month.

Benefits were provided as follows:

	<u>Year ended December 31,</u>	
	<u>2006</u>	<u>2005</u>
Retirees with full coverage	3	2
Retirees with partial coverage	24	24
	27	26
Cost of retirement benefits	<u>\$ 28,736</u>	<u>\$ 27,018</u>

Post-retirement health care and life insurance benefits are funded through current revenue sources appropriated and accounted for in the City's annual budget.

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NOTE D – OTHER INFORMATION – Continued

3. *Retirement plans*

A. Defined Benefit Pension Plan

Plan Description: The City contributes to the Local Government Division Trust Fund (LGDTF), a cost sharing multiple employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). Prior to January 1, 2006, the LGDTF was known as the Municipal Division Trust Fund (MDTF). LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All permanent employees, except uniformed police and fire of the City are members of the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for LGDTF (prior to January 1, 2006 this fund was known as MDTF). That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: Plan members and the City are required to contribute to the LGDTF at a rate set by statute. The contribution requirements of the plan members and the City are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8% and for the City it is 10.5% of covered salary. A portion of the City's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (see note D.3.B Post-employment Healthcare Benefits). Beginning July 1, 2005, if the City rehired a PERA retiree as an employee or under any other work arrangement, it was required to report and pay employer contributions on the amounts paid for the retiree, however no member contributions are required. Beginning January 1, 2006, the City was required to pay an amortization equalization disbursement equal to 0.5 % of the total payroll. The Airport's contributions to MDTF for the years ended December 31, 2006, 2005 and 2004, were \$473,929, \$430,887 and \$406,466, respectively, equal to the required contributions for each year.

B. Post-employment Healthcare Benefits

Plan Description: The City contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: The City is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Part 4 of the CRS, as

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NOTE D – OTHER INFORMATION – Continued

3. *Retirement plans – continued*

amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Airport's contributions to HCTF for the years ending December 31, 2006, 2005, and 2004, were \$4,834, \$4,395, and \$4,309 respectively, equal to their required contributions for each year.

C. Defined Contribution Plan

**Plan Description:** The LGDTF members of the City may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

**Funding Policy:** The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$14,000 in 2005 and \$15,000 in the 2006 calendar year). There is a catch-up provision that allows participants age 50 and older who are contributing the maximum to contribute an additional \$5,000 annually to their account.

All fire and police officers of the City participate in one of six agent, multiple employer, defined benefit pension plans, depending upon their status as a police or fire officer and their hire date (Old Hire/Alternate/Statewide). The Alternate Fire and Alternate Police plans were merged into the FPPA Defined Benefit System known as the Colorado Springs New Hire Pension Plan (CSNHPP) on October 1, 2006. As a function of the merger, FPPA is the plan administrator for the CSNHPP. FPPA Board of Directors shall function as the trustee and pension board for CSNHPP and shall administer the benefits under the CSNHPP plan as well as the Statewide plan. The Old Hire plans will continue to be administered jointly by the City and FPPA. The plans are included as pension trust funds. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. That report can be obtained by writing to: Fire and Police Pension Association, Two DTC, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or by calling FPPA at 303-770-3772.

4. *Disclosures about fair value of financial instruments*

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Restricted assets – investments and cash and investments

The carrying amount approximates fair value because of the short maturity of most of these instruments. The fair values of some investments are estimated based on quoted market prices for those or similar investments.

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NOTE D – OTHER INFORMATION – Continued

4. *Disclosures about fair value of financial instruments - continued*

Revenue bonds payable

The fair value of the Airport’s revenue bonds payable is estimated based on the quoted market prices of the debt in secondary bond markets.

The estimated fair values of the Airport’s financial instruments are as follows as of December 31, 2006, and 2005:

	<u>December 31, 2006</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Restricted assets – investments	\$ 5,834,683	\$ 5,834,683
Cash and investments	32,521,331	32,521,331
Revenue bonds payable	56,542,136	62,577,385
	<u>December 31, 2005</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Restricted assets – investments	\$ 5,834,683	\$ 5,834,683
Cash and investments	39,118,726	39,118,726
Revenue bonds payable	59,345,431	65,953,098

5. *Compliance with OMB Circular A-133*

The Colorado Springs Airport receives funding from the Federal Aviation Administration and the City of Colorado Springs administers this grant. As such, these grants have been audited in accordance with OMB Circular A-133 at the City level.

6. *Subsequent Events*

In April 2007, The City of Colorado Springs issued \$3,725,000 and \$8,500,000 of Refunding Airport System Revenue Bonds, Series 2007A and 2007B, for a current refunding of \$3,680,000 and \$7,740,000 of 1996A and 1996B Airport System Revenue Bonds, respectively. The refunding was undertaken to reduce total future debt service payments.

SUPPLEMENTARY AND OTHER INFORMATION

Colorado Springs Municipal Airport  
Colorado Springs Colorado  
SCHEDULE OF FINANCIAL ACTIVITY PER THE  
BOND ORDINANCE FUNDS AND ACCOUNTS  
Year ending December 31, 2006

	Gross Revenue Fund	Operations/ Maintenance Fund	Bond Fund		Bond Reserve Account	O & M Reserve Fund
			Bond Account	Interest Account		
Beginning balance as of January 1, 2006	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$5,834,682.00	\$3,671,771.88
Add: Commitments as of December 31, 2005	-	111,180.60	-	-	-	-
Adjusted balance as of January 1, 2006	<u>1,000,000.00</u>	<u>111,180.60</u>	<u>-</u>	<u>-</u>	<u>5,834,682.00</u>	<u>3,671,771.88</u>
Calendar year 2006 activity						
Operating Revenues	21,522,702.79					
Non-Operating Revenues						
Interest Earnings	168,575.89		39,146.93	44,217.73	203,261.90	121,985.49
Passenger facility charges						
Customer facility charges						
Other revenue (expense)	10,430.61					
Operating Transfers In						
State Grant Revenues		9,500.00				
FAA Grant Revenues		168,486.90				
Capital Reimbursements						
Bond Proceeds						
Sub-total revenues	<u>22,701,709.29</u>	<u>289,167.50</u>	<u>39,146.93</u>	<u>44,217.73</u>	<u>6,037,943.90</u>	<u>3,793,757.37</u>
Operating Expenses		(13,343,291.77)				
Operating Transfers Out						
Operating Capital		(353,336.51)				
Capital Expenses						
Non-Operating Expenses						
Debt Service Expenses			(2,175,370.00)	(3,659,312.50)		
Debt Issuance Expense						
Sub-total expenses	<u>-</u>	<u>(13,696,628.28)</u>	<u>(2,175,370.00)</u>	<u>(3,659,312.50)</u>	<u>-</u>	<u>-</u>
Balance before encumbrances, commitments, and transfers	<u>22,701,709.29</u>	<u>(13,407,460.78)</u>	<u>(2,136,223.07)</u>	<u>(3,615,094.77)</u>	<u>6,037,943.90</u>	<u>3,793,757.37</u>
Encumbrances at December 31, 2006	<u>-</u>	<u>(291,223.87)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other commitments at December 31, 2006						
Sub-total commitments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers:						
Operating/Maintenance	(13,698,684.65)	13,698,684.65				
Bond Debt Service	(5,834,682.50)		2,175,370.00	3,659,312.50		
2006 Bond Ordinance Requirements						
Income Available for Sharing-City's Portion	(1,502,636.00)					
Funding Adj.-Encumbrances/ Working Capital	56,387.67					
Non-Preferential Gate Use Fee	(465,696.00)					
Net (Rev)/Expense on Fountain Term Site	(151,695.00)					
Repayment of Loans to Capital Account	(316,167.00)					
Interest to:						
Airlines	433,528.94	-	(39,146.93)	(44,217.73)	(203,261.90)	(121,985.49)
Capital Account						
Sub-total transfers	<u>(21,479,644.54)</u>	<u>13,698,684.65</u>	<u>2,136,223.07</u>	<u>3,615,094.77</u>	<u>(203,261.90)</u>	<u>(121,985.49)</u>
Ending Balance December 31, 2006	<u>1,222,064.75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,834,682.00</u>	<u>3,671,771.88</u>



Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
AIRLINES SERVING THE AIRPORT  
December 31, 2006  
(unaudited)

**Passenger Airlines**

**Major and National**

Allegiant Air  
American Airlines  
Continental Airlines  
Delta Air Lines  
Northwest Airlines  
United Airlines  
US Airways/America West

**Regional and Commuter**

American Eagle  
ExpressJet Airlines ( Continental Express)  
Comair (Delta Connection)  
Mesa Air Group (America West Express,  
Mesa Airlines and United Express)  
SkyWest Airlines (Delta Connection and  
United Express)

**All-Cargo Airlines**

Airborne Express  
FedEx  
Key Lime Air

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport  
 Colorado Springs, Colorado  
 HISTORICAL AIRLINE TRAFFIC

For the years ended December 31, 1996-2006  
 (unaudited)

Year	Enplaned passengers			Aircraft Operations (No. of Departures)					Enplaned passengers per departure		
	Major/ National Airlines	Regional/ Commuter Airlines	Total	Percent Increase (Decrease)	Major/ National Airlines	Regional/ Commuter Airlines	Cargo Airlines	Total	Percent Increase (Decrease)	Major/ national airlines	Regional/ commuter airlines
1996	2,386,738	29,124	2,415,862	--	28,524	1,929	798	31,251	--	84	15
1997	1,969,690	79,500	2,049,190	-15.2%	24,670	6,177	783	31,630	1.2%	80	13
1998	1,286,570	34,379	1,320,949	-35.5%	15,160	2,356	834	18,350	-42.0%	85	15
1999	1,193,993	49,421	1,243,414	-5.9%	15,828	2,700	1,222	19,750	7.6%	75	18
2000	1,155,670	64,696	1,220,366	-1.9%	14,324	3,171	1,256	18,751	-5.1%	81	20
2001	976,459	89,395	1,065,854	-12.7%	13,318	3,362	2,221	18,901	0.8%	73	27
2002	846,693	221,464	1,068,157	0.2%	12,361	7,242	2,441	22,044	16.6%	68	31
2003	755,056	256,587	1,011,643	-5.3%	11,059	7,474	2,032	20,565	-6.7%	68	34
2004	715,187	319,560	1,034,747	2.3%	10,477	9,204	1,926	21,607	5.1%	68	35
2005	720,710	310,123	1,030,833	-0.4%	11,170	7,860	1,823	20,853	-3.5%	65	39
2006	735,077	281,939	1,017,016	-1.3%	10,599	7,244	1,731	19,574	-6.1%	69	39

<sup>1</sup> Western Pacific Airlines moved its hub from the Airport to Denver International Airport in June 1997, which at the time held the largest market share of enplaned passengers at the Airport.

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport  
 Colorado Springs, Colorado  
 AIRLINE SHARES OF ENPLANED PASSENGERS  
 For the year ended December 31, 1997 - 2006  
 (unaudited)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Number									
	Percent of total									
<b>Major/national airlines</b>										
Access Air (1)	-	-	15,524	-	-	18,152	35,825	37,440	30,697	-
Allegiant Air (2)	-	-	-	-	-	-	-	-	-	-
American West Airlines (3)	136,555	104,530	88,860	67,900	57,235	4,748	38,249	-	-	35,224
American Airlines	226,915	181,333	197,178	209,455	236,590	275,207	203,365	161,958	190,594	205,064
Continental Airlines (4)	159,630	60,236	60,498	55,373	56,926	47,611	10,295	10,581	481	185
Delta Air Lines	240,998	249,643	197,112	251,817	190,221	112,858	69,157	85,216	80,364	66,019
Northwest Airlines	94,976	68,917	80,099	79,924	68,021	66,214	78,327	86,261	83,026	75,689
Reno Air (5)	98,493	147,978	96,325	-	-	-	-	-	-	-
Trans World Airlines (6)	72,110	3,579	82,011	86,505	69,915	-	-	-	-	-
United Airlines (7)	428,529	396,115	374,720	341,217	284,446	283,933	317,321	332,448	334,426	351,779
Vanguard Airlines (8)	-	-	-	-	1,518	26,635	-	-	-	-
Western Pacific Airlines (9)	510,959	-	-	-	-	-	-	-	-	-
Charters	-	-	-	-	-	-	-	-	-	-
	1,969,165	1,285,971	1,192,327	1,152,221	964,872	846,693	755,056	715,187	720,710	735,077
	96.0%	96.0%	97.4%	96.0%	94.7%	79.3%	74.6%	69.1%	69.1%	69.9%
	-	-	-	-	-	-	-	-	-	-
	-	-	4,672	35,652	43,246	92,953	69,221	107,428	119,326	94,078
	-	-	-	-	-	-	-	-	-	29,866
	-	-	-	-	-	-	-	-	-	-
	-	5,767	25,599	6,035	-	2,406	25,030	28,998	30,226	25,407
	-	-	2,769	2,091	3,964	24,346	59,071	59,186	70,000	79,538
	-	-	-	-	2,465	13,052	2,772	-	-	-
	21,862	15,949	6,947	7,836	6,833	5,085	5,179	4,643	4,333	2,886
	44,314	3,374	-	-	-	-	-	-	-	-
	13,334	9,289	9,434	13,082	32,887	83,622	93,554	107,941	56,403	2,105
	-	-	-	-	-	-	-	-	-	48,059
	79,500	34,379	49,421	64,696	89,395	221,464	250,587	319,560	310,123	281,939
	4.0%	4.0%	2.6%	4.0%	5.3%	20.7%	25.4%	30.9%	30.1%	27.7%
	2,048,665	1,320,350	1,241,748	1,216,917	1,054,267	1,068,157	1,011,643	1,034,747	1,030,833	1,017,016
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- Access Air service from June 1999 through November 1999.
- Allegiant Airlines started service in February 2002.
- American West discontinued service in September 2004 and transferred all activity to America West Express operated by Mesa Air Group.
- Continental transferred most of its operations to Continental Express starting April 2002.
- Reno Air was acquired by American Airlines in September 1999.
- Trans World Airlines merged with American Airlines in December 2001.
- Data includes Air Wisconsin, Atlantic Coast, Mesa, and Skywest serving as United Express carriers. United does not report passenger activity for United Express carriers separately.
- Vanguard started service December 2001. On July 30, 2002, Vanguard filed for bankruptcy protection and subsequently ceased all operations at the Airport.
- Western Pacific Airline started service in April 1995. Ceased operations as of October 1997.
- American West Express began service in October 1999.
- American Eagle Airlines started service in June 2005.

Source: Colorado Springs Municipal Airport management records.



Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
**HISTORICAL AIRCRAFT LANDED WEIGHT- Continued**  
For the years ended December 31, 1997 - 2006  
(unaudited)

- 1 Access Air provided service from June 1999 through November 1999.
- 2 Air Wisconsin discontinued service October 2005.
- 3 Allegiant Air began service in February 2002.
- 4 America West discontinued service in September 2004 and transferred all activity to America West Express operated by Mesa Air Group.
- 5 Atlantic Coast (United Express Connection) started service November 2002 and ceased service May 2003.
- 6 Continental transferred most of its operations to Continental Express starting April 2002.
- 7 Mesa Air Group (United Express) started service October 2003.
- 8 Reno Air was acquired by American Airlines in September 1999.
- 9 SkyWest Airlines (United Express) began service March 2002.
- 10 Trans World Airlines merged with American Airlines in December 2001.
- 11 Vanguard started service December 2001. On July 30, 2002, Vanguard filed for bankruptcy protection and subsequently ceased all operations.
- 12 Western Pacific Airlines started service in April 1995. Ceased operations in October 1997.
- 13 American Eagle Airlines began service June 2005.
- 14 Chautauque Airlines began service in November 2003 as American Connection and stopped service July 2004.
- 15 Comair started service in October 1998 as Delta Connection and ceased service as of April 2000. Comair resumed service in December 2002 as Delta Connection.
- 16 Continental Express started service in October 1999. Ceased service as of May 2000. Provided service May through September 2001. Resumed service again in April 2002.
- 17 Go-Jet Airlines (United Express) provided service for January, February, September, and October in 2006.
- 18 Great Plains Airlines started service in October 2001. Ceased service as of March 2003.
- 19 America West Express started service in October 1999.
- 20 Mesa Airlines discontinued service November 2006.
- 21 Mountain Air Express served the airport from December 1996 to February 1998.
- 22 Northwest Airlink/Pinnacle began service June 2005 and discontinued service September 2005. Provided service for January, February, June, July, and August in 2006.
- 23 SkyWest served the airport from December 1995 to October 1998 as Delta Connection. Began service again April 1999.
- 24 Trans States Airlines operated as American Connection in January 2004. Service resumed August 2004 through June 2005.
- 25 Trans States Airlines operated as United Express from March 2006 through September 2006.
- 26 Corporate Air reported cargo service starting in January 2001 and ceased cargo service July 2002.
- 27 Keyline Air reported cargo service starting in January 2001.
- 28 Sundance Air reported cargo service starting in January 2001. Ceased service in November 2004.
- 29 Superior reported cargo service starting in January 2001 and ceased cargo service May 2003.

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
**AVERAGE DAILY DEPARTURES BY AIRLINES**  
For the years ended December 31, 1997-2006  
(unaudited)

Major / National airlines	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Access Air	--	--	2	--	--	--	--	--	--	--
Allegiant Air (1)	--	--	--	--	--	1	1	1	1	1
American (2)	8	6	7	10	9	10	7	6	7	8
America West (3)	4	4	5	5	6	7	6	6	7	6
Continental (4)	5	2	2	2	2	3	4	5	5	5
Delta (5)	8	8	9	9	9	10	11	14	8	6
Great Plains Airlines (6)	--	--	--	--	--	3	1	--	--	--
Mesa (7)	4	4	4	4	2	2	2	2	2	1
Northwest (8)	3	2	2	2	2	2	2	2	2	2
Reno Air (9)	3	5	3	--	--	--	--	--	--	--
Trans World (10)	3	3	2	2	2	--	--	--	--	--
United (11)	13	13	14	13	13	15	17	18	20	20
Vanguard Airlines (12)	--	--	--	--	--	1	--	--	--	--
Western Pacific (13)	21	--	--	--	--	--	--	--	--	--
<b>Total major and national airlines</b>	<b>72</b>	<b>47</b>	<b>50</b>	<b>47</b>	<b>45</b>	<b>54</b>	<b>51</b>	<b>54</b>	<b>52</b>	<b>49</b>

- 1 Allegiant Air started service February 2002.
- 2 Includes departures of Chautauqua Airlines/Trans States Airlines (American Connection) and American Eagle.
- 3 Includes departures of America West Express.
- 4 Includes departures of Continental Express.
- 5 Includes departures of Comair (Delta Connection) and SkyWest.
- 6 Great Plains started service October 2001. Ceased service March 2003.
- 7 Mesa Airlines discontinued service November 2006.
- 8 Includes departures of Pinnacle (Northwest Airlink).
- 9 Reno Air was acquired by American Airlines in September 1999.
- 10 TWA filed for bankruptcy protection in January 2001, and substantially all of the assets and certain liabilities of TWA were subsequently acquired by American through the bankruptcy proceedings. TWA was integrated into American during 2001 and effectively ceased to be operated as a separately branded airline in December 2001.
- 11 Includes departures of Air Wisconsin, Atlantic Coast, Go-Jet Airlines, Mesa Air Group, SkyWest, and Trans States serving as United Express carriers.
- 12 Vanguard started service December 2001. On July 30, 2002, Vanguard filed bankruptcy protection and subsequently ceased all operations at the Airport.
- 13 Western Pacific Airlines started service in April 1995. Ceased operations in October 1997.

Source: City of Colorado Springs, Airport management records.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
RECENT TRENDS IN TOTAL AIR CARGO  
For the years ended December 31, 1997-2006  
(unaudited)

Year	Total air cargo (tons)			Percent increase (decrease)
	Air Freight	Mail	Total	
1997	17,684	7,306	24,990	--
1998	18,432	4,996	23,428	-6.3%
1999	22,832	4,238	27,070	15.5%
2000	21,817	3,337	25,154	-7.1%
2001	19,767	2,221	21,988	-12.6%
2002	20,291	1,513	21,804	-0.8%
2003	18,161	527	18,688	-14.3%
2004	17,754	482	18,236	-2.4%
2005	16,568	157	16,725	-8.3%
2006	16,301	1	16,302	-2.5%

Source: City of Colorado Springs, Airport management records.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado

HISTORICAL ANNUAL DEBT SERVICE COVERAGE

For the years ended December 31, 1997 - 2006  
(Unaudited)

Fiscal Year	Applicable Revenues (A)	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1997	19,046,046	8,992,384	10,053,662	-	4,041,031	2.49
1998	19,925,062	9,723,643	10,201,419	2,060,000	4,075,122	1.66
1999	20,772,344	10,924,981	9,847,363	2,170,000	3,956,267	1.61
2000	21,157,418	11,092,890	10,064,528	2,305,000	3,827,798	1.64
2001	22,791,117	11,906,465	10,884,652	2,445,000	3,687,998	1.77
2002	22,621,860	12,040,291	10,581,569	2,453,334	3,600,437	1.75
2003	22,289,621	12,967,319	9,322,302	2,000,855	3,652,705	1.65
2004	22,571,575	13,039,813	9,531,762	2,169,586	3,660,099	1.64
2005	22,648,070	13,216,734	9,431,336	2,167,466	3,660,882	1.62
2006	23,602,795	13,804,532	9,798,263	2,175,370	3,659,313	1.68

(A) Includes Prepaid Revenue Account balances for each year; the yearly amounts are:

1997-2001	\$1,534,476
2002-2006	\$1,458,671

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport  
Colorado Springs, Colorado  
**HISTORICAL NON-AIRLINE REVENUES**  
For the years ended December 31, 1997 - 2006  
(Unaudited)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Terminal Building</b>										
Concession										
Food & Beverage	\$403,759	\$269,791	\$261,653	\$274,570	\$261,176	\$296,239	\$285,409	\$293,139	\$335,268	\$369,325
Retail	495,027	338,105	348,015	361,580	333,980	367,271	350,534	344,683	334,216	399,700
Advertising	126,947	140,778	148,654	167,650	212,649	185,378	178,774	167,367	168,961	181,018
Non-Airline Space Rental	145,244	170,260	175,959	176,346	153,215	178,666	251,448	308,223	457,597	485,955
Other	202,542	150,378	153,417	180,377	148,244	141,192	139,145	120,513	122,113	114,328
	1,373,519	1,069,312	1,085,698	1,160,523	1,109,264	1,168,746	1,205,310	1,233,925	1,418,155	1,550,326
<b>Terminal Area</b>										
Public Parking	6,014,409	5,751,634	6,011,228	6,131,834	5,600,105	5,609,910	5,427,189	5,513,116	5,442,666	6,066,711
Rental Car Fees and Rents	4,267,940	3,360,929	3,438,689	3,797,497	3,312,186	3,541,358	3,671,807	3,846,367	3,633,315	3,643,068
Ground Transportation Fees	60,669	70,752	120,772	135,165	109,825	106,690	100,090	98,940	104,819	102,917
Support Building Rentals	-	-	90,000	116,222	121,619	128,375	125,875	126,425	123,718	84,502
	10,343,018	9,183,315	9,660,689	10,180,718	9,143,735	9,476,333	9,324,961	9,584,848	9,304,518	9,897,198
<b>Airfield Area</b>										
Fuel Farm Rentals	-	-	23,540	23,611	23,576	23,576	23,576	25,443	25,443	25,443
Remain Over Night	-	-	125	7,270	(5,600)	425	100	-	200	238,500
Diversion Landing Fees	-	-	17,010	28,448	43,885	29,847	83,675	31,329	59,561	31,447
	-	-	40,675	59,329	61,861	53,848	107,351	56,772	85,204	295,390
<b>Fountain Site</b>										
Ground & Building Rentals	285,073	78,238	63,585	76,132	58,582	40,382	44,419	186,011	197,879	202,192
Utility Reimbursements	-	-	-	-	-	20,737	28,482	33,979	45,923	32,145
	285,073	78,238	63,585	76,132	58,582	61,119	72,901	219,990	243,802	234,337
<b>Aviation Support</b>										
Fuel Sales	458,180	622,440	374,624	429,768	873,269	436,601	517,231	609,503	854,894	913,206
Ground and Building Rentals	310,631	405,002	278,390	327,538	343,029	356,550	390,716	625,761	512,070	526,864
Airfield	8,977	41,719	-	-	-	-	-	-	-	-
Other	23,295	36,296	-	-	-	-	-	-	-	-
	801,083	1,105,457	653,014	757,306	1,216,298	793,151	907,947	1,235,264	1,366,964	1,440,070
<b>Administrative</b>										
Miscellaneous	-	-	44,759	20,063	102,217	104,526	45,003	145,328	124,817	67,114
Late Fees	-	-	-	58,367	36,696	25,069	13,196	12,825	15,871	19,132
TSA Reimbursement	-	-	-	-	-	-	-	19,758	-	-
CSC Group Support Reimbursement	-	-	-	128,200	128,455	44,044	-	-	-	-
Fingerprinting	-	-	-	-	-	12,375	5,635	10,535	15,435	13,755
	-	-	44,759	206,630	267,368	186,014	63,834	188,446	156,123	100,001
<b>Total Non-Airline Revenues</b>	<b>\$12,802,693</b>	<b>\$11,436,322</b>	<b>\$11,548,420</b>	<b>\$12,440,638</b>	<b>\$11,857,108</b>	<b>\$11,739,211</b>	<b>\$11,682,304</b>	<b>\$12,519,245</b>	<b>\$12,574,766</b>	<b>\$13,517,322</b>

Source: City of Colorado Springs, Airport records, except as noted.  
2001-2006 Airline Rates and Charges Settlement Accrual, Exhibit I-4.